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October 6, 1995

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William F. Caton
Acting Secretary
Federal Communications Commission
Mail Stop 1170
1919 M Street, N.W., Room 222
Washington, D.C. 20554

RECEIVED
OCT 6 1995
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Dear Mr. Caton:

Re: GEN Docket No. 90-314

This morning, Ron McClain, Senior Counsel-Industry Markets, Pacific Bell; Kathy Winch, Wireless Product Manager, Pacific Bell; Betsy Granger, Attorney, Pacific Bell Mobile Services; Gina Harrison, Director, Pacific Telesis Group and I met with Elias Johnson, Attorney, Policy Division; Michael Wack, Deputy Chief, Policy Division; John Cimko, Chief, Policy Division of the Wireless Bureau to discuss the PCS Safeguards Plan of Pacific Bell, Nevada Bell, Pacific Bell Mobile Services, and Pacific Telesis Mobile Services. Ron McClain, Kathy Winch, Betsy Granger, Gina Harrison and I also met this afternoon with Gerald Vaughan, Deputy Chief, Wireless Bureau and Elias Johnson to discuss the same issue. Attachment A was distributed in the morning meeting and Attachment B was distributed in the afternoon meeting. Please associate these with the above referenced proceeding.

We are submitting two copies of this notice in accordance with Section 1.1206(a)(1) of the Commission's Rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



cc: John Cimko
Elias Johnson
Gerald P. Vaughan
Michael Wack

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PCS Safeguards Plan of Pacific Bell, Nevada Bell, Pacific Bell Mobile Services and Pacific Telesis Mobile Services

There Is No Need for Any Additional Rulemaking Prior to Approval of Our Plan.

- Accounting and interconnection rules that form the basis of the Plan are well-established and comprehensive.
- Structural separation was considered and rejected by the Commission because the Commission felt that the public would benefit from the economies of scope to be gained from integration.

Accounting Safeguards

- In accordance with Commission policy, PBMS will treat its PCS costs as non-regulated for federal accounting purposes.
- As a separate subsidiary, PBMS will follow the affiliate transaction rules of Section 32.27 in its use of PB and NB services.

Accounting Safeguards

- Pursuant to Section 32.27, if there is a tariff price, PBMS will purchase the service at the tariff price. If there is no tariff, PBMS will pay fully distributed cost, unless there is a market rate for the service.
- Fully distributed cost is calculated in accordance with PB and NB's approved cost allocation manuals.

Interconnection

- PB and NB have offered, and will continue to offer, fair and non-discriminatory interconnection to all wireless carriers.
- In California, interconnection is offered pursuant to interconnection contracts. PBMS's interconnection contract with PB contains the same options and terms that are offered to all wireless carriers.
- In Nevada, interconnection is offered pursuant to tariff. A tariff for interconnection in California is pending before the California Public Utilities Commission. The tariffs were filed after good-faith negotiations.

Interconnection

- The interconnection offered by PB and NB meets the federal guidelines for wireless interconnection.
- The only difference between what is offered to PBMS and other wireless carriers is that PBMS has the ability to place equipment on PB and NB property. This is a benefit of integration. Many competitors have similar benefits since they can place PCS equipment on the property of their existing telecommunications or cable systems.

Interconnection

- Wireless carriers may purchase expanded interconnection under the terms of the expanded interconnection tariff if they want to obtain physical collocation for their transmission equipment.
- The expanded interconnection rules do not extend to the placement of switches or equipment other than transmission equipment on LEC property.

Response to AirTouch

- The proposed California interconnection tariff is cost-based. The costs were shared with the wireless industry during negotiations and again when the tariff was filed.
- The CPUC ordered that the wireless tariffs be based on Direct Embedded Cost, not incremental costs.
- Wireless carriers may order service out of the access tariffs.

Response to AirTouch

- PB is examining how to change its billing and routing procedures to recognize the NXX code assigned to a wireless carrier by another LEC.
- To the extent that wireless carriers have other needs that we can reasonably meet, we will negotiate to provide the services.

Joint Marketing

- PBMS will joint market with PB as part of its mass market approach to the marketing of PCS.
- To allay concerns about the use of customer information, we will apply the CPNI rules to the provision of PCS.

Conclusion

- The comments on our Plan provide no basis for delay or denial of the Plan. Many of the arguments are untimely petitions for reconsideration.
- Imposing additional and unnecessary requirements such as those sought by our competitors will only increase our costs and benefit our competitors to the detriment of competition and the public interest.
- Our Plan follows existing Commission rules to guard against cross subsidy and to ensure fair and non-discriminatory interconnection.
- Our Plan should be approved without delay so that regulatory uncertainty regarding our business plans is removed and our timeline for service introduction next year can proceed smoothly.

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